

September 26, 2016

CC Docket No. 02-6
Request for Review

Federal Communications Commission
Appeals Department – Office of Secretary
445 12th Street SW
Washington, DC 20554

RE: Applicant Name: Leake County School District
 Applicant Contact: Pam Tucker, Technology Coordinator
 601-416-0981; ptucker@leakesd.org

 Billed Entity Number: 128612
 Form 471 Number: 1038199
 Funding Request Number: 2826991

 Service Provider Name: Synergetics Diversified Computer Services, Inc
 Service Provider Contact: David Palmer, CEO
 662-461-0103; dpalmer@synergeticsdcs.com

 SPIN: 143004683
 Funding Year: 2015
 FCC Registration Number: 0012028049

This letter of appeal requests review of the decision made by USAC in the attached *Administrator's Decision on Appeal Letter* dated August 17, 2016 (*Exhibit 1*).

The letter of appeal was submitted to USAC on July 18, 2016 and is for the above listed Form 471 and FRN Number for the 2015 E-Rate Funding Year. This FRN was funded and funds were disbursed in the exact amount requested. Thereafter, a *Notification of Improperly Disbursed Funds Recovery Letter* dated May 20, 2016 was received stating funds were improperly disbursed for products and/or services that were not approved on the FCC Form 471.

It is demonstrated in the attached appeal to USAC (*Exhibit 2*) that **Leake County School District simply made a clerical error in completing the Item 21 Attachment.** Namely, all wireless components were lumped into a single line item on the Item 21 Attachment. In this appeal, **we are seeking approval to correct the clerical error** through service substitution or whatever method is deemed necessary by the FCC and USAC.

Please note that all other aspects of this Application and FRN are in order:

- All goods and services are E-rate eligible.
- All goods and services were requested on the Form 470
- All goods and services were detailed in the RFP
- Vendor Quotes contain only products listed on the 470 and in the RFP (Wireless Access Points, Wireless Controller, Installation of Access Points, Configuration and Training). Quotes total **\$31,160**.
- Form 471 was filed for all goods and services listed above and in the amount of **\$31,160**
- Item 21 was completed properly (with exception of the one clerical error at issue here)
- Vendor invoices match exactly to vendor quotes and for a total of **\$31,160**

Thus, everything is traceable throughout the process and all totals match perfectly. The only thing at issue is the description used on the Item 21 Attachment. As shown in the image below, Leake County School District listed all items on the Item 21 Attachment as “Access Points” with a quantity of 65 and a total cost of **\$31,160**.

Item 21 Details		
1: Wireless Data Distribution		
Product Type:	Access Point	Quantity: 65 Each
Make:	Extreme Networks	Model: Extreme Networks Identifi AP3825i
Lease Agreement:	No	
Recipients		
Name	BEN	Cost Allocation
LEAKE COUNTY CAREER & TECHNICAL CENTER	43175	\$3,168.30
LEAKE CENTRAL JUNIOR HIGH SCHOOL	43176	\$5,113.34
LEAKE CENTRAL HIGH SCHOOL	43177	\$7,298.34
LEAKE CENTRAL ELEMENTARY SCHOOL	43179	\$7,023.34
LEAKE COUNTY HIGH SCHOOL	43381	\$5,113.34
LEAKE COUNTY ELEMENTARY SCHOOL	43384	\$3,443.34
Charges		
Eligible Monthly Charges:		+ \$0.00
Ineligible Monthly Charges:		- \$0.00
Eligible One-time Charges:		+ \$31,160.00
Ineligible One-time Charges:		- \$0.00
Extended Cost:		\$31,160.00

The table below shows all the line items from Synergetics' proposal that make up the "Access Points" listed on the Item 21 Attachment.

LEAKE COUNTY SCHOOL DISTRICT - TOTAL ALL QUOTES FOR FRN 2826991			
QTY	DESCRIPTION	UNIT PRICE	EXT. PRICE
64	Extreme Networks identiFi AP3825i Indoor Access	\$ 275.00	\$ 17,600.00
1	Extreme Networks V2110 V9 Virtual Appliance (Controller)	\$ 1,600.00	\$ 1,600.00
4	Enterasys 16 AP Capacity Upgrade	\$ 910.00	\$ 3,640.00
40	Installation of Access Points	\$ 65.00	\$ 2,600.00
40	Network Configuration and Training of Wireless	\$ 110.00	\$ 4,400.00
12	Wireless Configuration/Training of Controller - Turnkey	\$ 110.00	\$ 1,320.00
Total:			\$ 31,160.00

Leake listed a quantity of 65 "Access Points" and for a total of **\$31,160**. It is clear that this is a clerical error in which Leake failed to enumerate all items that make up the "Access Points". However, all else with the Application and FRN is in order. Leake requests the opportunity to correct this clerical error.

The appeal to USAC contained in *Exhibit 2* thoroughly details the specifics in this matter. Leake County School District's RFP for wireless components was responded to by Synergetics with details of all wireless components and installation, as shown in the above table. Synergetics' bid response totaled \$31,160 for all products and services. Leake's Form 471 was filed for a total of \$31,160 for these wireless products and services. All invoices to the Applicant and USAC were identical to the original quotes in line items and totals.

All items from the original RFP details, quote and invoice are 100% E-rate eligible. **It is obvious** from the details provided in this *Exhibit 2* that the Applicant combined all the wireless components and installation into a Quantity of 65 and described them as "Wireless Access Points" on the Item 21 Attachment. This is the clerical error that is the subject of this appeal to the FCC.

It is worth of noting that the Item 21 spreadsheet for FY 2015 did not include an Installation column which would have allowed the Applicant to choose "yes or no" if installation was included in the cost of the line item. This column has been added to the FY 2016 Item 21 spreadsheet, which confirms that Applicants can combine equipment and installation in the total line item and choose "yes" in the installation drop down box, without having to separate installation and equipment cost on the spreadsheet.

It is very clear that the Applicant made a clerical error on the Item 21 by combining all the E-rate eligible wireless components rather than listing these components separately. Because the Applicant received no questions related to this issue during Program Integrity Assurance (PIA) review, the Applicant never had the opportunity to provide USAC with the original quotes that included all the line items in question. Since the Applicant had no previous knowledge that anything was incorrect before receiving the *Notification of Improperly Disbursed Funds Recovery Decision Letter* (after the invoice had already been paid by USAC), there was never an opportunity for the Applicant to submit a Service Substitution request. As you will see from *Exhibit 2*, it was demonstrated very clearly that the items in question were 100% eligible under the guidelines of Service Substitution requests and the request to submit a Service Substitution was denied by USAC.

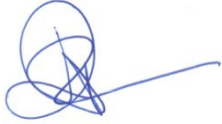
Attached in *Exhibit 3* is documentation for an identical situation where an Applicant bundled the components of a switch and installation into a single line item on the Item 21. The line item description on the Item 21 stated “Cisco 3750G-48 Switch”. The quote to the customer and invoice to USAC included with the Cisco switch these additional items – “GE SFP Transceiver and Installation”. When the invoice was submitted to USAC for payment, the additional items were denied for payment. An appeal was then submitted to USAC regarding the denial of payment on the invoices. This **appeal was denied by USAC with the recommendation that “a Service Substitution be requested to substantiate the replacement/provision of services not explicitly stated but that were implied in the original Item 21 attachment.”**

The Applicant submitted Service Substitutions for the FRNs that received denials for these items and the **Service Substitutions were approved.** Invoices were submitted to USAC for these originally denied items **and payment was received by USAC for all items.** In this situation, the Applicant made a clerical error on the Item 21 by combining all the E-rate eligible components rather than listing them separately. This Applicant was given the opportunity to submit a Service Substitution after the invoice, the Service Substitution was approved and the invoice was paid in full. **The same should be allowed in this matter.** No waste, fraud or abuse was involved in this case and **financial recovery for a clerical error is overly punitive.**

USAC determined that funds were improperly disbursed for products and/or services that were not approved on the FCC Form 471. **Therefore, the request in this letter of appeal is for FCC to review attached documents and facts as stated above and allow the Applicant to submit a Service Substitution request (or whatever method deemed necessary by the FCC and USAC) for approval for the referenced FRN. This would allow USAC to give Leake County School District the exact same opportunity as was given to South Delta School District referenced in *Exhibit 3*.** Approval of the Service Substitution request would allow the decision for request for recovery of funds to be reversed.

The exhibits with this letter, along with the explanation given above should resolve any ambiguity and show clearly that that is simply a matter of a clerical error. Thank you for your consideration in this matter. If you have any questions or require any additional information, please contact me at 662-461-0103 or dpalmer@syndcs.com.

Sincerely:

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

David Palmer
CEO
Synergetics DCS, Inc.

cc: Pam Tucker, Technology Director, Leake Count School District
Gary Rawson, State E-rate Coordinator, MS Department of ITS